

Taxpayers who use GATORS and MULES in a qualifying manner may claim the farm machinery and equipment exemption. See 86 Ill. Adm. Code 130.305. (This is a GIL).

September 11, 2000

Dear Xxxxx:

This letter is in response to your letter dated July 24, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

I am writing to request a ruling on the classification and taxability of a utility vehicle commonly referred to as a Kawasaki Mule.

The measurement of the smaller 550 model is 43" in width and 781 lbs. weight

The larger 2510 model is 54" in width and 1105 lbs. weight.

Both models have 4 tires and have a variety of accessories such as hard tops and windshields which can be added.

I have enclosed a brochure on the Kawasaki Mule so that you may examine their many uses.

If you have any questions, don't hesitate to contact us.

Thank you for your assistance in this matter.

Please find enclosed a copy of 86 Ill. Adm. Code 130.305 regarding the farm machinery and equipment exemption from sales tax. Under this exemption, machinery and equipment that is used primarily (over 50% of the time) in production agriculture or for use in State or Federal agricultural programs may be purchased free from tax. However, as stated in Section 130.305(h) of the regulations, "[e]xcluded from this exemption are motor vehicles required to be registered pursuant to the Illinois Motor Vehicle Code." This does not mean, however, that just because a farm vehicle can be titled it is taxable.

Farm utility vehicles that meet the requirements for the farm machinery and equipment exemption may qualify. Taxpayers who use GATORS and MULES in a qualifying manner may claim the exemption.

Please note that the Department has proposed a regulation providing that All Terrain Vehicles (ATVs) may qualify for the farm machinery and equipment exemption if they are used primarily in production agriculture. We plan to soon adopt this regulation. You may see the proposed regulation on the Department's Web site at <http://www.revenue.state.il.us>.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Martha P. Mote  
Associate Counsel

MPM:msk  
Enc.